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GAIN Report

Global Agricultural Information Network

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Voluntary - Public

Date: 6/4/2010

GAIN Report Number: VE1054

Venezuela

Post: Caracas

Chávez Declares Economic War on Business Sectors

Report Categories:

Agriculture in the Economy

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Report Highlights:

During the last two weeks the Bolivarian Government has concentrated on expropriations, confiscations, and control of several private food companies. President Chávez has declared an "economic war" on all business sectors. Post provides informal summary information from the local media.

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General Information:

Chávez declares "economic war" on business sectors

President Hugo Chávez declared an "economic war" on the country's business sector, including Venezuela's main business associations and food giant Empresas Polar.

"I declare an economic war. Let's see who is more powerful, you the shoddy bourgeois or those love their homeland," the Venezuelan Head of State said in a mandatory nationwide TV and radio broadcast aired from a food plant in the state of Carabobo. Chávez urged workers to dignify the working class and refrain from being manipulated by businessmen.

Chávez threatens to nationalize Empresas Polar

"If you think that I do not dare nationalize Empresas Polar, then you are wrong," the Venezuelan President told Lorenzo Mendoza, the CEO of the consortium. "...you do not make any mistake; otherwise you will gamble everything and lose. This is my recommendation for you who are taking the way of conspiracy."

Business chamber to denounce government attacks against employers

At ILO meeting in Geneva

In the context of the 99th International Labor Conference, which is being held in Geneva, delegates and technical advisers from main Venezuelan employers, represented by the Federation of Trade and Industry Chambers (Fedecámaras), will submit complaints regarding the violation of international conventions by the Venezuelan government.

According to the Venezuelan business sector, the country is characterized by the absence of social dialogue, the persecution of labor leaders, ideological aspects related to several laws, attempts by the Executive branch of government to limit the right to freedom of association, the lack of consultation with businessmen about the setting of minimum wage and extension of firing freeze, and violations to private property, among other issues.

Businessmen deplore Chávez's "economic war"

Fedecámaras thinks that if the government keeps going against the private sector, the domestic economy could fall by six percent and record an inflation rate of 45 percent. Lope Mendoza, the acting president of Fedecámaras, rebutted the declaration of "economic war" issued on Wednesday by President Hugo Chávez against businessmen.

"The President of the Republic should think that given the ongoing economic situation in the country, we would rather seek national consensus where workers, the government and businessmen should take a seat to hold a respectful conversation," the director said in the Annual

Congress of the National Council of Industries (Conindustria).

Source: Newspaper El Universal